

MINUTES  
MULTILINE INSURANCE ADVISORY COMMITTEE  
MAY 30, 1991 - 7:00 PM  
ROLLINS BURDICK HUNTER OFFICES

The meeting was conducted by Chairman Tom Hatch.

Commissioner Yancey explained the involvement of the Insurance Commissioner's office and that he was there as a resource for information. He said the issue was whether the Commissioner could grant the exemptions requested. He answered questions from committee members.

The comments made by the Commissioner were discussed. It was the consensus that it was not necessary to have all of the commissioners present at the hearing. Time delays were brought up. It was felt the issue is definitely solvency.

It was moved and seconded that the Minutes of the April 10, 1991 meeting be approved as written.  
Carried.

The draft flow updating all the verified premiums was explained by Jay Odice. Copies were distributed. He said premiums from every county are being reverified. Jay then explained the three-year pro formas. Copies were distributed. He said he is convinced the law doesn't allow the insurance department to exempt the full surplus but allows them to modify the surplus. The bottom dollar is not the 16% being raised in capital, it is the net cost of the pool. It is whatever the verified premium is plus your equity in the pool. He explained the county breakdown of cancellation expense and exit fees from the ULGT. Copies were distributed. Jay said there are some transitions and that is why he insists on getting the policies.

Copies of the Order on Request for Exemptions from the Insurance Commissioner were distributed. Each paragraph was explained and discussed. Jay said an outside independent fellow actuary with a very strong background is doing the work required in paragraph 4. Compliance with paragraph 6 is being built into a resolution. Two commissioners and the county attorney will need to be present to adopt the resolution. It was suggested that this paragraph be explained to prospective members for better understanding. Jay referred to the suggested announcement from UAC which referred to paragraph 6. Paragraph 9 was also discussed.

The Bylaws are ready to be mailed out now. Changes were explained. Jay said the contract, brokerage agreement and claims agreement are underway. The suggested announcement letter which will go out with the resolution, bylaws, excess contracts, pro formas and the actuarial letter was discussed.



It is the letter that is going out to solicit members signing up and passing the resolution, which was also discussed. It was agreed that on the second page, second paragraph, line seven of the announcement letter, the following words be deleted: "are at no risk and". There will be a separate letter from the advisory committee.

Copies of letters from John Torbert, Executive Director of the Kansas Association of Counties, and Peter Kenney, President of the Colorado Counties Inc. in support of the pool were distributed.

The resolution was discussed in detail, particularly paragraph 6. Copies were distributed. By passing the resolution the county becomes a member of the pool. Tom had a question on the financial commitment. Under the letter of commitment if there is an appropriate number of counties, there would be an association created and that is when they become members. Counties need to know when they have to come up with the money.

It was suggested that a meeting date be set with Commissioner Yancey. It was felt by some members that nothing would be accomplished in a meeting. Jay asked that the committee raise issues of the Trust. Everyone agreed there should be a meeting. June 21 and June 24 were suggested as meeting dates given by Commissioner Yancey for a daytime meeting. It was agreed the meeting be held on Friday, June 21.

Brent asked if another workshop meeting was needed with all of the commissioners similar to the one held at the University Park Hotel. It was suggested in order to get the resolution passed that Jay Odice and a group of the committee meet with the commissions, sell them on the principle, and from there go into the commission meeting and have them pass the resolution. Jay said at a workshop meeting we gain a group consensus on critical issues like the million dollar aggregate limit. The comparative analysis which lists all of the critical elements of the pool was discussed. Copies were distributed. Brent said the problem with the group meeting is that they are not going to be able to sign the day you have the group meeting because they will have to put this on an official agenda and notice it up. Tom felt he could sell Garfield. Scott felt he could sell Washington. Resolutions to be sent out immediately to Sanpete and Rich. Kane might have a problem. Would rather have the group meet with them. Davis is ok. Should have a meeting with Box Elder. Cache is not sure. Brent felt Wasatch will sign the resolution. Brent said there are 11 counties that will sign and send the resolutions back without a visit. Brent will send those 11 a letter. The next step will be to talk about dates when you want to go out and visit them. When the resolutions are returned the schedules will be set up to be determined by



commission meetings. Brent advised the pool is out of money. We have \$9,000 and bills of \$19,000, plus the actuary of about \$1,000 at this time. Those who haven't paid feasibility study money are Beaver, Carbon, Grand, Millard, Sevier, Utah and Kane. Brent felt those approachable would be Grand, Millard, Utah and Kane.

Meeting adjourned at approximately midnight.

**Attending:**

Tom Hatch  
Scott Hirschi  
Gayle Stevenson  
R. L. Gardner  
Glen Martin  
Max Adams  
Leonard Blackham  
Seth Allen  
Frank Nishiguchi  
Ken Brown

Brent Gardner  
Jay Odice  
Jess Hurtado  
Don Roney

